

**SOUTH CAROLINA
UNEMPLOYMENT INSURANCE
QUALITY CONTROL**

SEPARATION ADJUDICATIONS

1991 - 1992

A PROGRAM IMPROVEMENT STUDY

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SEPARATION ADJUDICATION**

BACKGROUND

On May 2, 1991, the State of South Carolina undertook a Program Improvement Study consisting of fact-finding on separation issues. Benefits Quality Control data had shown an increase in Separation Issue errors during the last two quarters of 1990. Analysis of the data had pointed to the possibility of a general lack of sufficient information to make a proper determination. This study was needed to identify the specific information necessary to formulate corrective action.

Current UI policy requires the telephone calls be made to interested parties in order to obtain missing initial statements (i.e., Employer response), or clarify incomplete statements. These calls are made at the Local Office level during the initial fact-finding interview and at the Central Office adjudicator level immediately prior the decision being rendered. The primary objective of the study was to evaluate the effectiveness of the calls, identify what information was obtained and what information was omitted.

METHODOLOGY

The universe of cases from which samples were drawn was all separation adjudications made on initial and additional claims each week during a six month period. Simple lack of work adjudications (i.e., all parties agree that the separation was caused by a simple lack of work), UCX, UCFE, and EUC claims were excluded from the universe. All remaining cases made up the sampling frame, which averaged around 800 plus cases per week.

The sampling frame was provided by the Benefit section and was sorted into four groups as follows: 1) Cases in which no telephone calls were made to obtain an initial statement, additional facts, or clarify existing statements; 2) Cases in which the local office only made phone calls to obtain the above the information; 3) Cases in which only the adjudicator made phone calls; 4) Cases in which the local office and the adjudicator made phone calls. From each group, a random start systematic disproportionate stratified sample was drawn. These four groups represented the universe of adjudications as found in existing adjudication practices under present UI policy and

methodology. Therefore, no additional work was placed on the adjudicators other than to note into which group each case fell.

The sample of sixty (60) cases was drawn weekly by first sorting the sample frame database into four(4) sub-sample frames by class and week. The sub-sample frames were then sorted by social security number in ascending order. A sample of fifteen (15) cases was drawn from each sub-sample by using the random start number for that week from the BQC list of random numbers, and a skip interval derived for each class based on its size.

The cases were assigned equally to the three project investigators. The investigators entered all control data and "before" data. Each investigator obtained a copy of the initial claim, employer response, and any other documents pertinent to the adjudication. The adjudications and monetaries were obtained from the appropriate ADP file.

The investigators typed the Study Readjudication work sheet (see page 9). The work sheet contained the information originally received, minus any information obtained by phone from any source. The work sheets were returned to the adjudicators thirty (30) days from the original adjudication date. The adjudicators were asked to readjudicate the cases as instructed on the work sheet. The investigator coded the "after" data to include any differences in the outcome of the adjudication. The work sheet did not contain any identifier with the exception of the QC study case identification number. It was distributed in random manner; therefore the same adjudicator did not necessarily issue the "before" and "after" determination.

During the thirty day waiting period, a sub-sample of eight (8) cases, two (2) from each case type sampled was forwarded to the UI Technical Service Division. This 13.3% sub-sample contained all documents used to adjudicate the separation, and included all information obtained by telephone, by the local office, and/or the adjudicator. The fact-finding was scored in accordance with the ETA Handbook 301 Quality Appraisal Measurement System. Technical Services personnel also compiled a list of questions they felt had not been addressed, or the information was not adequate to make a determination. The QC investigator codified the list as to subject matter for analysis (see enclosed code sheets, pages 10-12), then obtained the information from the appropriate party and determined if the additional information would have made a difference in the outcome of the adjudication.

The samples drawn for this study were rather large when compared to universe size, but we feel this offset any bias related to the shortness in length of the study period.

RESULTS

Before commenting on the principal findings of this study, please note that the type #4 cases (those in which the local office and adjudicator made phone calls) have been excluded from the analysis. This is due to the fact that Quality Control was only able to collect a total of 49 samples out of the possible 390. Therefore, the changes that did occur within this case type are statistically invalid.

Impact of Phone Calls:

The main objective of this study was to evaluate the effectiveness of the phone calls that the local office and the adjudicators make in order to obtain the information needed to properly adjudicate the claim.

Calls vs. No Calls..

When the cases were readjudicated, 87.12 percent were reviewed by an adjudicator who was not the original adjudicator. The Readjudication Separations were different in 25.92 percent of the cases reviewed, i.e., a different outcome was reached from the original decision. (see data, page 13 and graph, page 14). In this group, the claimant's eligibility remained the same but for different reasons in 5.25 percent of the cases. The claimant's eligibility changed completely in 20.67 percent of the cases.

The major impact of not having the benefit of the additional information was seen in case type #3, adjudicator calls, where 42.41 percent of the separation differences occurred. Case type #2, local office calls, accounted for 33.23 percent of the cases that changed. Case type #1, no calls, yielded the least change, 17.41 percent.

It is interesting to note that within the sample universe 76 percent of claimants are disqualified for some reason and 24 percent are paid when all information is available to the adjudicator. When the additional information is not available for consideration, 69 percent are disqualified and 31 percent are paid.

Who Calls..

When the local office personnel made phone calls to obtain additional information, case type #2 (see data, page 19), the separation adjudications before and after were different 26.85 percent of the time within that case type. Over three-quarters of the cases that changed, 77.14, were directly related to discharge. Two-thirds (2/3) of this amount involved an original discharge/ineligible for a number of weeks appearing to be either

discharge/eligible or some other eligible code.

Of the cases in which the adjudicators made phone calls, case type #3 (see data, page 20), 34.36 percent of the separation adjudications changed. Of the cases which changed, 67.91 percent were related to discharge. Again, with the highest concentration of these cases, 60.44 percent involved a change from the original discharge/ineligible for a number of weeks to what would have been a discharge/eligible or some other eligible code.

These findings suggest that when the phone calls are made, UI adjudicators have more complete information, which contributes to a more accurate adjudication process.

Discharge..

The disposition of claims in which adjudication of a discharge was concerned produced the most striking impact of additional information. The instance of an original Adjudication, code 31, "Discharge/Ineligible" now appearing to be an eligible code, accounted for 43.0 percent of all code changes, (see data, page 22). The changes of code 31 to code 30, still discharge but now eligible, were 41.77 percent of all changes. The next largest percents of change were also in the area of discharge, but from an original code of 30 "Discharge/Eligible" to code 31, 16.77 percent, and to any ineligible code, 20.89 percent.

A closer look at discharges shows that in the largest change, the situation where the original adjudication of discharge/ineligible, code 31, would have been an eligible separation, the average number of weeks that would have been paid in error was 9.2. This equates to an average total dollar amount of \$1,257.18. Within this group, 97 percent were cases that would have remained discharged but code 30, discharge/eligible. (see data, page 22)

Information Needed:

The second objective of this study was to identify exactly what information was missing from the initial fact-finding efforts.

One glance at the "Nature of Missing Information" reports (Local Office and Central Office Calls; pages 25 & 26), reveals that the preponderance of the missing information needed for adjudication was from the employer.

The biggest and most obvious reason for the above statistic can be traced to the Initial Employer Response figure. Approximately two out of every five employer response forms were never returned. Consequently this forces Employment Security personnel to make phone calls to obtain the necessary information

in order to adjudicate the claim.

A break down of the missing information shows for both Local and Central office inquires, the category of Claimant "Behavior and its Effect on the Employer" appeared most often followed by questions concerning "Conditions of Work". Both categories fall under information related to "Discharge for Misconduct", which is interesting, considering the frequency of reversals upon readjudication of discharge ineligible to discharge eligible cited above.

Quality Appraisal:

Two other aspects of this study which deserve some consideration involve the adjudication process itself, and results of the Quality Appraisal Report.

According to the "Separation Before and After" report (page 13), of the cases in which the adjudicators were different and no phone calls were made to obtain any additional information, the separation adjudications before and after were different 18.48 percent of the time. It should be noted that in these cases the same information was presented and considered for the before and after adjudications. It is also interesting that the same adjudicators, given the same information 30 days later, reversed themselves in 10 percent of the cases which were different. This would suggest a certain degree of inconsistency in the interpretation and application of UI Law and Policy.

According to the "Quality Appraisal Results" report (page 23 and graph, page 24), 100 of the total cases QPI sampled, 29.33 percent, were deemed to require some type of additional information. However, in only 7.0 percent of these cases did this additional information actually change the original adjudication. QC data shows similar percents (7.3). This would suggest that in 93.0 percent of the cases, the information requested only led to a more documented fact-finding report, and had no bearing on the original adjudication process. This is not to say that the questions asked were not pertinent, only that enough information had been gathered initially to properly adjudicate the claim.

There is some evidence to support the possibility that the information which the QPI review deemed to be missing was in fact gathered by the adjudicator but simply was not written down on the fact-finding form so as to facilitate a review. The QPI review found that the vast majority of missing information fell into the categories of "Behavior and its Effect on the Employer" and the "Conditions at Work" (see page 23). An analysis of the adjudicator's phone calls clearly shows that the primary emphasis of their fact-finding efforts was in these same two areas (82.28 percent combined). (See page 25). The same holds true for Local

Office efforts to obtain additional information. (84.94 percent combined), (see page 26).

It is, therefore, clear that the Local Office and the Adjudicator staff were knowledgeable and sensitive to QPI's emphasis and concerns. Further, almost 70 percent of all claims receive a phone call by either the Local Office or an Adjudicator. This, combined with the low rate of change to the adjudication (7 percent), seems to indicate that the problem may be one of the documentation as opposed to the accuracy of the outcome.

Quality Control data indicates that the majority of erroneous separation determinations resulted from adjudicating the wrong separation, i.e., bona fide employer. This is an area that is normally not addressed by the Quality Appraisal review. The local offices are primarily responsible for ascertaining the bona fide employer. A closer, in dept questioning of the claimant during the fact-finding process, especially when the last day worked is far removed from the filing date, may help this problem. The UCB 101(S) could also be used.

FINDINGS

1) We start with the assumption that more detailed information renders a more accurate determination. The results of the study show that phone calls cause a more accurate determination in 26 percent of the cases. The suspension of phone calls resulted in erroneous determinations, i.e., a change in eligibility, in twenty-one percent of the cases.

The phone calls were necessitated in thirty-nine percent of cases due to a lack of employer's response to the initial request for separation information. Therefore, failing the ability to encourage a better initial response from the employer, we must conclude the phone calls contribute to a more accurate determination in one-fourth of the adjudications, and should be continued.

2) The analysis of QPI data indicated a very low return on the effort expended to obtain the additional information deemed necessary to meet QPI standards. It is clear that the fact finding process has become sensitized to the review process. It is also possible that a concerted effort to document all pertinent information obtained may result in more favorable review findings. However, if we consider QC data in conjunction with QPI data, we find that more emphasis on ensuring that the correct bona fide employer is identified may result in more accurate outcomes.

3) We cannot escape the finding that there is a certain degree of inconsistency within the adjudication process. This is an internal consideration which may be helped by regularly scheduled staff meetings and/or internal training sessions. These sessions could be used to restate the Agency's policies and interpretations of law.

We recognize that each case must be adjudicated on its own merit and that each case may be different in some way. However, it would seem logical that each difference would draw the same response from every adjudicator. These sessions could be used to arrive at a consensus among the adjudicators.

The implementation of an internal quality review of a percentage of cases may also help in reducing the inconsistency.